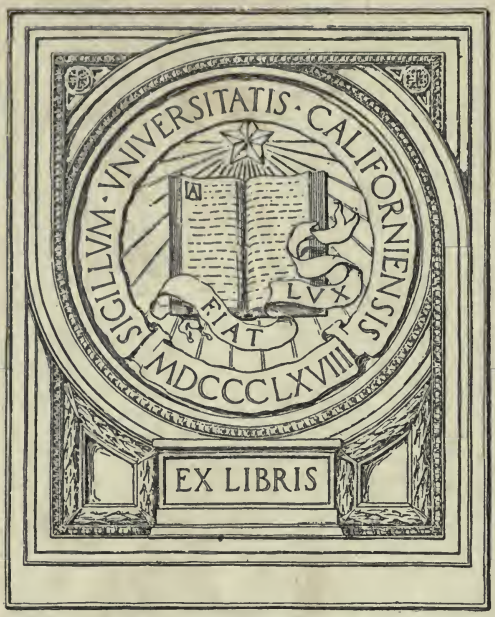
HE
2791
C3C304



BANCROFT LIBRARY

BANCROFT LIBRARY

MORTGAGE

Central Pacific Railroad Co.

DATED, ~~APRIL~~ OCTOBER 1, 1886.

Fifty-year Bonds, Six per cent.

C-M. (P. 1886 ?)

Ex-libris
Charles Atwood
Kofoid

Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

http://www.archive.org/details/mortgagecentralp00centrich

HE2791
.C3C304

45019
Bancroft Library

MORTGAGE

Central Pacific Railroad Co.

DATED, OCTOBER 1, 1886.

Fifty-year Bonds, Six per cent.

THIS INDENTURE, made this first day of October, 1886, between the CENTRAL PACIFIC RAILROAD COMPANY, a railroad corporation duly organized and existing under the laws of the United States and of the State of California, party of the first part, and WILLIAM E. BROWN and FRANK S. DOUTY, both of San Francisco, California, parties of the second part, *WITNESSETH:*

That, whereas, By an Act of Congress of the United States of America, approved on the first day of July, 1862, entitled "An Act to aid in the construction of a railroad and telegraph line from the Missouri river to the Pacific Ocean, and to secure to the Government the use of the same for postal, military, and other purposes," and an Act amendatory thereof, approved on the second day of July, 1864, there was granted to the CENTRAL PACIFIC RAILROAD COMPANY OF CALIFORNIA, a railroad corporation then duly organized and existing under and pursuant to the laws of the State of California, a large body of the public lands of the

United States, to wit: every alternate section of public land designated by odd numbers, to the amount of ten alternate sections per mile on each side of the railroad and telegraph line of said company running from Sacramento, in the State of California, to its junction with the railroad and telegraph line of the Union Pacific Railroad Company, at or near Ogden, in Utah Territory, a distance of seven hundred and forty miles, not sold, reserved, or otherwise disposed of by the United States, and to which no preëmption or homestead claim had attached at the time the line of said railroad was definitely fixed, and not containing mineral other than coal and iron, for the purpose of aiding in the construction of said railroad and telegraph lines, and to secure the safe and speedy transportation of the mails, troops, munitions of war and public stores of the United States;

And, whereas, By an Act of Congress of the United States of America, approved on the twentieth day of July, 1866, entitled "An Act granting lands to aid in the construction of a railroad and telegraph line, from the Central Pacific Railroad, in California, to Portland, Oregon," there was granted to the California and Oregon Railroad Company, a corporation then duly organized and existing under and pursuant to the laws of the State of California, a large body of the public lands of the United States, to wit: every alternate section of public land not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile (ten on each side) of the railroad and telegraph line of said company, running from a point on the line of the Central Pacific Railroad at or near Roseville, in the County of Placer and State of California, to the northern boundary of said State, a distance of two hundred and forty-six miles, for the

purpose of aiding in the construction of said railroad and telegraph line, and to secure the safe and speedy transportation of the mails, troops, munitions of war and public stores of the United States, with a further provision to the effect, that when any of the said alternate sections shall appear to have been previously granted, sold, reserved, occupied by homestead settlers, preëmpted, or otherwise disposed of, other lands, designated as aforesaid, may be selected by said company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, designated by odd numbers, as aforesaid, nearest to, and not more than ten miles beyond the limits of said first alternate sections;

And, whereas, Heretofore, to wit: on the 22d day of June, A. D. 1870, the said CENTRAL PACIFIC RAILROAD COMPANY of California, pursuant to law, was consolidated with the Western Pacific Railroad Company, a railroad corporation then duly organized and existing under the laws of the State of California, and owning and operating a railroad and telegraph line from the City of Sacramento to the Cities of Oakland and San Jose, in the State of California, a distance of one hundred and fifty-six miles, into a new corporation, under the corporate name and style of the "CENTRAL PACIFIC RAILROAD COMPANY;"

And, whereas, Heretofore, to wit: on the twentieth day of August, A. D. 1870, the said last named corporation, the said California and Oregon Railroad Company, the San Francisco, Oakland and Alameda Railroad Company, a railroad corporation then duly organized and existing under the laws of the State of California, and owning and operating a railroad running from San Francisco, through the

city of Oakland to Haywards, in Alameda County, a distance of twenty-five miles, and the San Joaquin Valley Railroad Company, a railroad corporation duly organized and existing under the laws of the said State, owning a line of railroad and telegraph, running from a point on the road of the said Central Pacific Railroad Company at Lathrop, in the county of San Joaquin, to the town of Goshen, in the county of Tulare, in said State, a distance of one hundred and fifty-two miles, said railroad and telegraph being then only partially constructed, did, pursuant to the laws of said State, amalgamate and consolidate themselves into a new corporation under the corporate name of the "CENTRAL PACIFIC RAILROAD COMPANY," which last named corporation is the said party of the first part to this indenture;

And, whereas, By force and effect of said consolidation the said party of the first part has succeeded to the title to all of said lands and all of said railroad and telegraph lines, and now owns and holds said railroad and telegraph lines, and such portions of said lands as remain unsold;

And, whereas, On the first day of October, 1870, the party of the first part made and executed its first mortgage on said lands to secure the payment of ten thousand bonds of said company, bearing even date with said mortgage, for the sum of one thousand dollars each, and payable twenty years from date with interest at the rate of six per cent per annum, payable semi-annually;

And, whereas, The greater portion of said bonds have been paid off and discharged, and a great portion of said lands remain unsold, to wit: about eight million acres;

And, whereas, On the fifth day of January, 1885, the party of the first part, for the purpose of paying off its floating debt, incurred in the construction and completion of its road, and of raising money to finish the construction, completion and equipment of its road authorized the issuance of its bonds for the sum of ten million dollars, said bonds to bear date January 1, 1885, and to be payable January 1, 1915, with interest at the rate of six per cent per annum, payable semi-annually, on the first days of July and January in each year;

And, whereas, Said bonds were duly prepared and executed, and five million dollars thereof had been disposed of, and five million dollars thereof still remained in the possession of the party of the first part;

And, whereas, On the fifth day of October, 1885, the party of the first part, for the purpose of paying off its floating indebtedness, incurred in the construction and completion of its road, and of raising money to finish the construction, completion and equipment of its road, authorized the issuance of its bonds in the sum of ten million dollars, said bonds to bear date the first day of October, 1885, and be payable thirty years from the date thereof, with the interest at the rate of six per cent per annum, payable semi-annually, on the first days of April and October of each year ensuing the date thereof;

And, whereas, Said bonds were duly prepared and executed, and five million dollars thereof were disposed of for the purpose of redeeming five million dollars of the bonds above referred to, bearing date on the first day of January, 1885;

And, whereas, Said bonds were redeemed and canceled by the issuance and the substitution therefor of five million dollars of the aforesaid bonds, bearing date the first of October, 1885;

And, whereas, Five million dollars of said bonds of the first of October, 1885, now remain in the possession of the party of the first part, undisposed of;

And, whereas, It is desirable and advantageous to the party of the first part to pay off and discharge the five million dollars of bonds bearing date the first day of October, 1885, and disposed of as aforesaid, and to cancel the five million dollars of said bonds which remained in the possession of the party of the first part;

And, whereas, The party of the first part desires to raise money to pay off and discharge so many of said bonds as have been disposed of, and other outstanding indebtedness, and also to raise money to finish the construction, completion and equipment of its railroad and to that end has, by its Board of Directors, considered and determined to issue the bonds of the said company in the sum of one thousand dollars each, to the number of sixteen thousand, payable to the said parties of the second part, or to the holders thereof, to be dated on the 1st day of October, 1886, and to be payable fifty years from the date thereof with interest at the rate of six per cent per annum, payable semi-annually on the first days of April and October, of each year ensuing its date, both principal and interest payable in United States gold coin, in the City of New York, and to secure the payment of said bonds has further considered and determined to make a second mortgage upon the lands hereinbefore described, except so much thereof as has or shall be

included in the right of way of the railroads and telegraph lines of said company as defined and granted by the Act of Congress aforesaid, or is being or shall be used in the construction or operation thereof, or for the track, yards, depot-grounds, buildings or erections thereof, and also upon that part of the railroad belonging to the party of the first part known as the Central Pacific Railroad, situated in the County of Alameda, and lying west of the town of Niles in said county, including the road formerly known as the San Francisco, Oakland and Alameda Railroad, including all branches, intersecting and connecting roads owned by the party of the first part and used in connection with that part of the Central Pacific Railroad above described, and all the wharves, piers, docks, embankments, yards, depots, grounds, buildings, and other erections belonging to the said party of the first part, and situate in said County of Alameda, and used in connection with said railroad;

And also, Upon that portion of said Central Pacific Railroad commencing at the town of Lathrop in the County of San Joaquin, and extending to the town of Goshen, in the County of Tulare, in said State, a distance of about one hundred and fifty miles, together with all the workshops, depots, stations, and grounds now owned by said company and used in connection with said road;

And also, Upon that portion of said Central Pacific Railroad commencing at Roseville Junction, in the County of Placer, and extending north to the southern boundary line of Oregon, and now fully completed as far as Delta, together with all the stations, depots, workshops and grounds now owned by said party of the first part and used in connection therewith;

And also, Upon all telegraph lines running along the lines of the said Central Pacific Railroad between what is known as Oakland Point and the town of Niles, in Alameda County and between the said towns of Lathrop and Goshen, and between said Roseville Junction and the Oregon line together with all the rights and appurtenances thereunto appertaining;

And also, Upon all the rolling stock now or hereafter owned by the party of the first part, and used in operating the said several portions of said Central Pacific Railroad above described, and also upon all the rights, franchises, rights of way, and privileges appertaining to said several portions of the road, or either of them ;

And also, Upon all steamers now belonging to said party of the first part, and running and plying upon the Sacramento river, or the bay of San Francisco, or used as transfer or ferry-boats ;

And also, Upon certain tracts or parcels of land situate in the County of Alameda, containing about five hundred acres, and hereinafter described;

And also, Upon the undivided one-half of all that certain tract of land situate in Mission Bay, in San Francisco, and granted to the said party of the first part by an Act of the Legislature of the State of California, approved March 30th, 1868, entitled "An Act to survey and dispose of certain salt-marsh and tide lands belonging to the State of California," which tract of land is hereinafter fully described;

And, whereas, It was further considered and determined that said bonds, with the overdue coupons thereon, should be converted into and be receivable in payment for any of the lands of the party of

the first part, granted by the Act of Congress aforesaid, and hereby conveyed, the same as if payment were made in money;

And, whereas, It was further considered and determined that said bonds, and each of them, should bear date on the first day of October, A. D. 1886, and should have attached thereto one hundred interest coupons, numbered from one to one hundred inclusive, in the following form:

$30.00. No.....

CENTRAL PACIFIC RAILROAD COMPANY.

BOND No.....

Interest Coupon for Thirty Dollars Due

.....18.....

Payable in the City of New York.

.....Treasurer.

And, whereas, It was further considered and determined that said bonds, and each of them, should be of the following tenor and form.

No..... *$1,000.00.*

BOND

OF THE

CENTRAL PACIFIC RAILROAD COMPANY.

The CENTRAL PACIFIC RAILROAD COMPANY acknowledges itself indebted to WILLIAM E. BROWN and FRANK S. DOUTY, both of the City and County

of San Francisco, California, or to the holder hereof, in the sum of one thousand dollars, gold coin of the United States, which sum it promises to pay to the holder hereof, in the City of New York, fifty years from the date hereof, and on presentation and surrender at or after maturity of the respective interest coupons hereunto annexed, it promises to pay to the person presenting the same interest on such principal sum at the rate of six per cent per annum, semi-annually, on or after the first days of April and October of each year ensuing the date hereof, both principal and interest payable in United States gold coin.

This bond is one of sixteen thousand, each of which is for the same sum of money, and of like tenor, and all of which are secured by a mortgage bearing date the first day of October, 1886, made by said party of the first part, to the said WILLIAM E. BROWN and FRANK S. DOUTY. These bonds are convertible into, or receivable at par in payment for any of the lands of the party of the first part, granted to it by Acts of Congress, and conveyed to secure the payment of said bonds, the same as if payment was made in money.

In testimony whereof, the said company has caused its corporate seal to be hereunto affixed by its Third Vice-President and Secretary, on this the first day of October, A. D. 1886.

_____

Third Vice-President.

_____

Secretary.

Now, Therefore, this Indenture further Witnesseth, That the said party of the first part, for the purpose of securing the payment of the sums of money mentioned in said bonds, and the interest thereon, and in consideration of the premises, and also for and in consideration of the sum of one dollar to the said party of the first part in hand paid by the parties of the second part, the receipt whereof is hereby acknowledged, has, subject to said first mortgage, and the terms and conditions thereof, granted, bargained, sold, released, enfeoffed, conveyed and confirmed, and by these presents does grant, bargain, sell, release, convey and confirm unto the said parties of the second part, as trustees, and to their successors and survivors, and their assigns forever, all and singular the said several sections of land, so as aforesaid granted by said Acts of Congress, and also all the estate, right, title, interest, claim and demand, whatsoever, at law or in equity, of, in, or to the same, or any part or parcel thereof, which the said party of the first part now has, holds, owns or is entitled to, or hereafter may or shall acquire, have, hold, own, or be or become entitled to by force or virtue of the said Acts of Congress, saving, excepting and reserving all parts and parcels of said lands as have been sold heretofore, or which are or shall be included in the rights of way of the said railroad and telegraph lines of said company, or used for the construction or operation thereof, or for the track, yards, depot grounds, buildings, or erections thereof.

And, this Indenture further Witnesseth, That the said party of the first part for the purpose of further securing the payment of the sums of money mentioned in said bonds and the interest thereon, and in consideration of the premises, and also for and in consideration of the

sum of one dollar to the said party of the first part, in hand paid by the parties of the second part, the receipt whereof is hereby acknowledged, hath granted, bargained, sold, released, enfeoffed, conveyed and confirmed, and by these presents does grant, bargain, sell, release, convey and confirm unto the said parties of the second part as trustees, and to their successors and survivors and assigns forever, all and singular, the following described property, to wit: That part of the railroad belonging to the party of the first part, known as the Central Pacific Railroad, situate in the County of Alameda, and lying west of the town of Niles in said county, including the road formerly known as the San Francisco, Oakland and Alameda Railroad, including all branches, intersecting and connecting roads owned by the party of the first part, and used in connection with that part of the Central Pacific Railroad above described, and all the wharves, piers, docks, embankments, yards, shops, depots, grounds, rights of way, buildings, and other erections belonging to the said party of the first part, and situate in said County of Alameda, and used in connection with said railroad;

And also, That portion of said Central Pacific Railroad commencing at the town of Lathrop, in the County of San Joaquin, and extending to the town of Goshen, in the County of Tulare, in said State, a distance of about one hundred and fifty miles, together with all the workshops, depots, stations, rights of way and grounds now owned by said Company and used in connection with said road;

And also, That portion of said Central Pacific Railroad commencing at Roseville Junction, in the County of Placer, and extending north to the southern

boundary line of Oregon, and now completed as far as Delta, together with all the stations, depots, work-shops, rights of way and grounds now or hereafter owned by said party of the first part, and used in connection therewith;

And also, All telegraph lines running along the lines of the Central Pacific Railroad, between what is known as Oakland Point and the town of Niles, in Alameda county, and between the said towns of Lathrop and Goshen, and between said Roseville Junction and the Oregon line, together with all the rights and appurtenances thereunto appertaining ;

And also, All the rolling-stock now or hereafter owned by the party of the first part, and used in operating the said several portions of said Central Pacific Railroad above described, and also all the rights, franchises, rights of way and privileges appertaining to said several portions of the roads, or either of them, and also all the steamers now belonging to said party of the first part, and running and plying upon the Sacramento river or the Bay of San Francisco, or used as transfer or ferry-boats;

And also, Those certain tracts or parcels of land situate in the county of Alameda, State of California, containing about five hundred acres, described as follows, to wit :

That certain tract of land commencing at a point in the westerly line of Market Street, in the city of Oakland, extended southerly and across San Antonio creek, distant four thousand one hundred and twenty (4120) feet from the intersection of said line of said Market street with the southerly line of Seventh street in said city; thence running on a magnetic

course south sixty-seven (67) degrees and thirty-three (33) minutes west, three thousand and twenty-two (3022) feet; thence continuing westerly and on a curve of seven thousand six hundred and thirty (7630) feet radius and tangent to the last mentioned line sixteen hundred and sixty-six and eighty-two one-hundredths (1666.82) feet; thence on a magnetic course south seventy-nine (79) degrees and four (4) minutes west, and tangent to said curve line thirteen hundred and eleven and eighteen one-hundredths (1311.18) feet to the northwesterly corner of said tract; thence south ten (10) degrees and fifty-six (56) minutes east magnetic, twelve hundred and seventy-seven and twelve one-hundredths (1277.12) feet to the southwesterly corner of said tract; thence north seventy-nine (79) degrees and four (4) minutes east magnetic, thirteen hundred and eleven and eighteen one-hundredths (1311.18) feet; thence continuing easterly, and on a curve of eight thousand nine hundred and seven and twelve one-hundredths (8907.12) feet radius and tangent to the last mentioned line, nineteen hundred and forty-five and seventy-five one-hundredths (1945.75) feet; thence north sixty-seven (67) degrees and thirty-three (33) minutes east magnetic, three thousand and twenty-two (3022) feet to the southeasterly corner of said tract; thence north twenty-two (22) degrees and twenty-seven (27) minutes west magnetic, twelve hundred and seventy-seven and twelve one-hundredths (1277.12) feet, to the point of commencement; containing one hundred and eighty (180) acres, more or less;

Also, one other piece or parcel of land commencing at a point bearing south seventy-nine (79) degrees and four (4) minutes west magnetic, from the northwesterly corner of the above described tract, and dis-

tant therefrom seven thousand nine hundred and forty (7940) feet; thence running south seventy-nine (79) degrees and four (4) minutes west magnetic, twelve hundred and forty-four and one-half (1244½) feet; thence southerly and at right angles to the last mentioned line seven hundred (700) feet; thence north seventy-nine (79) degrees and (4) minutes east magnetic, twelve hundred and forty-four and one-half (1244½) feet; thence northerly and at right angles to the last mentioned line seven hundred (700) feet to the point of commencement; containing twenty (20) acres, more or less, together with an exclusive right of way for the railway tracks of said railroad company, over a strip one hundred feet wide, lying between the said one hundred and eighty (180) acre tract and said twenty acre tract, the northerly line of said strip for right of way being three hundred (300) feet distant from the extreme southern edge or bank of the nine hundred feet channel of San Antonio creek.

Also, that certain other tract of land in said city of Oakland, described as follows: Commencing at a point in the northerly line of the railroad bridge wharf or pier at Oakland Point (so called), which point in said line is distant westerly three hundred and twenty-six (326) feet and seven and one-fourth (7¼) inches from the westerly line of Bay street, and the said northerly line extended easterly intersects the westerly line of Bay street at a point fifty-nine (59) feet and one-half (½) inch southerly from the southeast corner of a brick building standing on the northerly line of Railroad avenue and the westerly line of said Bay street, the said northerly line of said bridge also making an angle of eight (8) degrees and thirty-seven (37) minutes with the northerly line of said

Railroad avenue, and lying south thereof; thence from said first mentioned point running westerly along the said northerly line of said railroad bridge eleven thousand one hundred and fifty (11,150) feet to the northwest corner of said tract; thence southerly and making an exterior angle of seventy-six (76) degrees and twenty-three (23) minutes with said northerly line of said bridge twenty-two hundred and fifty-one (2251) feet and three-eighths (⅜) inches, to the southwest corner of said tract; thence running easterly and parallel with the said northerly line of said bridge, and twenty-one hundred and eighty-eight (2188) feet distant therefrom, two thousand (2000) feet; thence northeasterly, and making an interior angle of one hundred and forty-six (146) degrees and thirty-seven (37) minutes with the last described line of two thousand (2000) feet eighteen hundred and seventeen (1817) feet and four and one-half (4½) inches to a point eleven hundred and eighty-eight (1188) feet perpendicular distance from the said northerly line of said bridge; thence easterly and parallel with said northerly line of said bridge, four thousand five hundred and sixty-nine (4569) feet and three and five-eighths (3⅝) inches to the intersection of the southerly line of First street, in said Oakland as now located, extended westerly; thence continuing easterly and along the said extended southerly line of First street, twenty-five hundred and sixty-five (2565) feet and three-eighths (⅜) of an inch to the southeast corner of said tract; thence northerly and making an interior angle of eighty (80) degrees and fifty-seven (57) minutes with said southerly line of First street fifteen hundred and ninety-one (1591) feet, and five and three-fourths (5¾) inches, to the point of beginning of said last described line, being the easterly boundary of said tract, and at right angles to the said northerly line of

said railroad bridge, wharf or pier, containing three hundred and nineteen (319) and six hundred and twenty-six one-thousandths (.626) acres ;

And also, The undivided one-half of all that certain tract of land situate in Mission bay in San Francisco, and granted jointly to the said party of the first part and to the Southern Pacific Railroad Company (of California), by an Act of the Legislature of the State of California, approved March 30, 1868, entitled : "an Act to survey and dispose of certain salt-marsh and tide lands belonging to the State of California," which tract of land consists of the following described lands, to wit :

Part of New Potrero block 351, described as follows: beginning at southeast corner of Santa Clara and Indiana streets; thence south 193 feet 4½ inches on Indiana street ; thence south 87¾ degrees east, 80 feet ; thence north 54¼ degrees east, 141–1 feet to west line of Minnesota street ; thence north 129–7 feet to Santa Clara street; thence west to place of beginning; part of New Potrero block No. 379, described as follows: beginning at northeast corner of Santa Clara and Minnesota streets; thence east 122–1 feet, thence north 36¼ degrees east, 33–3½ feet; thence north 5½ degrees east, 165 feet to south line of Sixth street; thence along Sixth street to Minnesota street; thence south to place of beginning.

Tide land blocks, 35, 43, 44, 45, 47, 48, 55, 56, 57, 58, 59, 60, 314, 343, 345, 347, 348, 349, 350, 382, 383, 384, 385, 413, 417, 417½.

Lots 1 to 9 and 13 to 18 in tide land block 49.

Lots 1 to 11 and 14 to 18 in tide land block 50.

Lots 1 to 11 and 13 to 18 in tide land block 51.

Lots 1 to 6 and 11 to 18 in tide land block 52.

Lots 1 to 8 in tide land block 349½.

Lots 3 to 15 in tide land block 380.
Lots 7 to 14 in tide land block 405.
Lots 1 to 7 and 14 to 16 in tide land block 406.
Lots 1 to 3 and 5 to 6 in tide land block 412.
Lots 1 to 5 and 10 to 14 in tide land block 418.
Lots 7 to 14 in tide land block 432.
Lots 1 to 5 in tide land block 431.

Part of New Potrero block 414, described as follows: beginning at northeast corner Kentucky and Mariposa streets; thence east 200 feet; thence north 250 feet, west 100 feet, north 50 feet, west 85–1 feet, south 4¾ degrees west, 16 and nine-hundredths feet south 24¾ degrees west, 24 feet to Kentucky street; thence south 262½ feet to beginning; part of New Potrero block 415, described as follows: beginning at northwest corner Santa Clara and Illinois streets; thence north 139–7 feet, south 72½ degrees west, 67–7 feet south 48 degrees west, 40 feet 10½ inches; thence east 46 and two hundreths feet, south 100 feet, east 50 feet, to place of beginning; part of New Potrero block No. 415, described as follows: beginning on east line of Kentucky street, 122 feet south of Centre street, south 68¼ degrees, east 63–4 feet, east 43–2 feet, north 50 feet, east 50 feet, north 100 feet, west 100 feet, south 100 feet, west 50 feet, south 22 feet, to place of beginning.

To have and to hold, All and singular, the property hereby granted, and each and every part and parcel thereof, with the appurtenances thereunto belonging, unto the said parties of the second part, and their survivors and successors, and their assigns, forever, as trustees, for the uses and purposes, and upon the trusts, terms, conditions and agreements in this indenture set forth and declared;

Provided always, And these presents are upon the express condition that if the said party of the first part shall well and truly pay, or cause to be paid, to the holders of said bonds, and every of them, the principal sums of money therein mentioned, according to the tenor thereof, with the interest thereon, at the times and in the manner hereinbefore provided, according to the true intent and meaning of these presents, then, and from thenceforth, this indenture, and the estate hereby granted, shall cease and determine, and all the right, title and interest in any and all property hereby conveyed to the parties of the second part, not then disposed of under the powers hereby conferred, shall revert to and invest in the said party of the first part.

And this Indenture further witnesseth, That these presents and the said bonds, in so far as they are secured by said lands aforesaid, granted by said Acts of Congress to the party of the first part, are made, executed and delivered subject to the said first mortgage thereupon, and to the provisions therein contained, upon the trusts, terms, conditions and agreements following, that is to say, that all of said granted lands hereinbefore conveyed and mortgaged shall be (subject, however, to the terms and conditions of said first mortgage) under the sole and exclusive management and control of the said party of the first part, which shall have full power and authority to make contracts for the sale of the same at such price, on such credit or terms of payment, and such other conditions as shall be agreed upon by the said parties of the first and second part; and that, except as otherwise provided in said first mortgage, no title to any tract of said lands contracted to be sold by the said party of the first part shall be given until the whole

of the purchase money of said tract shall be paid to the said parties of the second part, or their successors or survivor, in cash, or in said bonds or overdue coupons thereof, and for this purpose it is agreed that after said first mortgage shall be satisfied, the said party of the first part, and said Trustees, shall cause all such lands remaining unsold, as they shall from time to time become subject to sale, to be carefully examined and surveyed, and shall affix to each tract or parcel such price as, in their judgment, shall be most judicious, having in view the interests of all parties; and said lands shall be and remain at all times thereafter open for sale to any person who may desire to purchase and pay therefor, the prices being, nevertheless, at all times subject to revision and alteration by the said parties; and the party of the first part may reserve from sale any lands necessary for depot grounds or other purposes connected with the construction or operation of the said railroad and telegraph. The purchaser of any such granted lands shall be at liberty to pay for the same in the aforesaid bonds or overdue coupons, at par; and when any such tract or parcel of said lands shall have been purchased and paid for, either in bonds, coupons or cash, as hereinbefore provided, the same shall be conveyed by the said parties of the first and second part to the purchaser in fee simple, and shall by such conveyance be absolutely and forever released from any and all lien or encumbrance for, or on account of, said bonds, or any other debt or obligation of said party of the first part; *provided*, that for the sake of convenience in making said conveyances the said Trustees shall have power to act by attorney, duly nominated and appointed by them jointly by letter of attorney, duly acknowledged and recorded in each and all of the counties in which

said lands, or any part thereof, are situated, and all deeds made in their names by such attorney shall have the same force and effect as if made by them.

And this Indenture further witnesseth, That the said Trustees shall and will cancel and discharge each and every bond, and the coupons thereon, and all overdue coupons which they may receive in payment for land, or by purchase, as hereinafter provided, by defacing the seal of the corporation, perforating the signature of the officers signing the same; and all bonds and coupons so canceled, as aforesaid, shall be at once delivered to the said party of the first part.

And, this Indenture further Witnesseth, That the said trustees shall apply the proceeds of the sales made by them of such land to the sole and exclusive purpose of the payment of the bonds, provided for in, and issued in conformity to, the terms of this indenture. And for this purpose all such proceeds shall, from time to time, as the same are realized, be used in the purchase of such bonds in the market, so long as purchases thereof can be made at par, and whenever such bonds cannot be purchased at that rate, said trustees shall advertise for proposals to sell such bonds to them, in one newspaper published in the City of New York, and one newspaper published in the city of San Francisco, and after receiving such proposals they shall have power in their discretion to purchase such bonds at the lowest terms so offered. If bonds are offered at a premium greater than in the judgment of said trustees should be paid therefor, and for that reason the said trustees refuse to purchase, they may then, in their discretion, loan out or invest any trust moneys on hand, derived from the sale of the granted lands hereby conveyed,

in good securities, and such loans and securities, with the interest accruing thereon, shall constitute part of the trust-fund in their hands;

And, this Indenture further Witnesseth, That a sinking-fund shall be created for the redemption and payment of said bonds by setting apart the sum of fifty thousand dollars of the net income of said road in the year 1895, and in each year thereafter, until all of said bonds, principal and interest, shall be redeemed or paid, in trust, to be loaned out at interest on good security, or otherwise invested under the order and direction of the directors of the party of the first part, or used to redeem said bonds as often as one hundred thousand dollars shall come into the sinking-fund, in which case notice shall be published in one paper in the City of New York, and one paper in the city of San Francisco, that bonds will be redeemed at a price not exceeding their par value, and inviting bids for the surrender thereof at prices to be named, not exceeding the par value of said bonds. The lowest bids less than par to be accepted, and bonds redeemed to the extent of the money in the sinking-fund;

And, this Indenture further Witnesseth, That the said party of the first part, until default shall be made, as herein provided for, shall have exclusive control of all of the property hereby conveyed, with the right to sell and dispose of any of the lands (other than the granted lands), steamers, transfer and ferry-boats hereby conveyed, upon such terms and conditions as the party of the first part may deem just and equitable, the proceeds of any such sale to be paid into and become part of the sinking-fund hereinbefore provided for;

Limerick Library

And, this Indenture further Witnesseth, That the said party of the first part covenants and agrees to pay to the holders of said bonds respectively the said principal sums of money therein mentioned, and the interest as aforesaid; and that if any default shall be made in the payment either of principal or interest, on any of said bonds, for six months after demand at the place of payment, when the same shall become due, then the said trustees may, on being requested by the holders of at least one hundred thousand dollars of said bonds, enter into and take possession of any and all property hereby conveyed, and foreclose this mortgage, and may sell at public auction so much of said property as may be necessary to discharge all arrears of such interest, and apply the proceeds, after deducting the costs, charges and expenses of such entry, foreclosure and sale, to the payment of such arrears of interest. If any such default shall continue for one year from the time of such demand and refusal, the principal sum of all said bonds then outstanding shall become due and payable, and the said trustees may enter into and take possession of all or any portion of said property hereby conveyed, foreclose this mortgage, and sell at public auction all or any portion of said property hereby conveyed, or so much thereof as may be necessary, first giving at least six months previous notice of the time and place of sale in at least one newspaper published in the City of New York, and in one newspaper published in the city of San Francisco, and they shall apply the proceeds thereof, after deducting the costs, charges and expenses of such last mentioned entry, foreclosure and sale, to the payment of all said bonds then outstanding, and the accrued interest thereon, rendering the overplus, if any there shall be, unto the party of the first

part. In case of any sale upon any such foreclosure, or at any such public auction, the said trustees shall make, execute and deliver a conveyance of said property so sold, which shall convey to the purchasers all the rights and privileges of the said party of the first part in and to the property so sold, to the same extent as the same shall have been previously enjoyed and held by the said party of the first part. If, after any such entry shall be made, or any such foreclosure proceedings shall be commenced for the satisfying of interest only, as above provided, and before all or any portion of the property hereby conveyed is sold thereon, the said party of the first part shall pay and discharge such interest, and deliver the coupons therefor to the said trustees, and pay all the costs, charges and expenses incurred in such entry and foreclosure, and the proceedings thereon, then, and in every such case, the said trustees shall discontinue their proceedings thereon, and restore to the said party of the first part all or any portion of said property hereby conveyed, to be held subject to the above provisions, conveyance and mortgage, and subject to all the provisions, terms and conditions of these presents, in like manner as if such entry had not been made, nor such foreclosure proceedings commenced.

And this Indenture further witnesseth, That in case a vacancy shall happen in the number of trustees hereinbefore mentioned as parties of the second part in this indenture, or if one of them shall be temporarily absent, the remaining trustee shall, while such vacancy or absence exists, have all the rights, exercise all the powers, and discharge all the duties devolving on the said trustees by this instrument; but, as soon as it conveniently may be done, such vacancy shall be filled by the nomination by the remaining

trustee, of some proper person to fill such vacancy, which nomination shall be submitted to the Board of Directors of said company, and if approved by them, the person so nominated and approved immediately shall become a trustee under this instrument. If said nomination is not approved, another person shall be nominated by said remaining trustee, and in like manner submitted for approval, and so on until three nominations shall be made. But if three successive nominations shall be made, and none of them shall be approved by said Board, said vacancy shall be filled by a committee of three persons, selected, one by said remaining trustee, one by said Board of Directors, and a third by the two thus selected, and the person appointed trustee by a majority of the committee shall be and remain a trustee under this instrument. And the person regularly appointed a trustee to fill a vacancy in either of the forms specified shall, from and after his said appointment, and his acceptance of the appointment, become vested with the same estate, powers, rights and interests, and charged with the same duties and responsibilities, as if he had been one of the original trustees, parties of the second part, named in and executing this instrument, and the prior remaining trustee may and shall execute such conveyances and instruments as may be proper or necessary to vest the same in such new trustee jointly with him, or to furnish evidence of such vesting. If at any time either of the said trustees shall resign his place as trustee, by a proper deed or writing to that effect, and such resignation should be accepted by the said party of the first part, then, and in every such case, the place of said resigning trustee thereupon shall become and be vacant. Whenever all the bonds which shall have been made and issued by the said

party of the first part, under and in conformity to the provisions of this indenture, with the interest thereon, together with all the expenses incurred by the said trustees in the execution of the trust herein and hereby created, shall have been fully paid, the said trustees shall reconvey to the said party of the first part all and singular, or any portion of said property hereby conveyed then in the hands of the said trustees, and not before that time sold or disposed of in the execution of the trust hereby created;

And this Indenture further witnesseth, That all the books of the said company, and of the trustees, relating to the granted lands hereby conveyed, shall be mutually open to the inspection of said company and said trustees;

And this Indenture further witnesseth, That it shall be the duty of the said trustees to certify and deliver to the said party of the first part the said bonds as the same, from time to time, shall be demanded, issued or used by the said party of the first part. And it is hereby mutually agreed by and between the parties hereto, that the said parties of the second part, and their survivor and successors, and their heirs, executors and administrators, shall not be answerable for the acts, omissions or defaults of each other, nor for anything short of their own gross negligence or willful misfeasance;

And this Indenture further witnesseth, That all the provisions of said Acts of Congress, and Acts of the Legislature of the State of California, so far as they are applicable, are hereby made and shall be deemed and taken to be part of this instrument; and the said provisions, in all that concerns the sale and

disposal of the said lands hereby conveyed to the parties of the second part, are to be observed and strictly and faithfully carried out and fulfilled.

And this Indenture further witnesseth, That the said party of the first part shall and will, at any and all times hereafter, and from time to time, execute, acknowledge and deliver, under its corporate seal, to the said parties of the second part, and their survivor and successors, all such other or further assurances, deeds, mortgages, obligations, transfers, indentures and instruments in writing, and shall and will do and perform all such other or further acts or things as shall or may be necessary or proper, or as their counsel learned in the law shall deem necessary, proper or expedient for the better or more effectually securing upon the above conveyed and mortgaged premises the payment of the said bonds to be issued, and the interest due and to grow due thereon in manner aforesaid, or for carrying into effect the true intent, design, objects and purposes of these presents.

In witness whereof, The said party of the first part has caused these presents to be signed with its corporate name, and sealed with its corporate seal, by its President and Secretary, the day and year first above written.

CENTRAL PACIFIC RAILROAD CO.

By LELAND STANFORD,

President,

And

E. H. MILLER, JR.,

Secretary.

{ CENTRAL PACIFIC RAILROAD COMPANY SEAL. }

We hereby accept the trust created and declared by the foregoing instrument, and agree to discharge the same pursuant to the provisions in that behalf therein contained.

In testimony whereof, we have hereunto set our hands and affixed our seals, this twenty-seventh (27th) day of October, 1886.

WILLIAM E. BROWN. [SEAL.]
FRANK S. DOUTY. [SEAL.]

STATE OF CALIFORNIA, }
City and County of San Francisco. } ss.

On this twenty-seventh (27th) day of October, in the year one thousand eight hundred and eighty-six (1886), before me, E. B. Ryan, a Notary Public in and for said city and county, duly commissioned and sworn, personally appeared Leland Stanford, known to me to be the President, and E. H. Miller, Jr., known to me to be the Secretary of the corporation described in and who executed the foregoing and annexed instrument, and acknowledged to me that such corporation executed the same.

Also on said 27th day of October, before me, personally appeared William E. Brown and Frank S. Douty, known to me to be the persons described in, whose names are subscribed to, and who executed the above and foregoing instrument, and they acknowledged to me that they executed the same.

In witness whereof, I have hereunto set my hand and affixed my official seal, at my office in the said City and County of San Francisco, the day and year in this certificate first above written.

{ NOTARIAL SEAL. }

E. B. RYAN,
Notary Public in and for the City and County of San Francisco, State of California.

STATE OF CALIFORNIA, }
City and County of San Francisco. } ss.

On this twenty-seventh (27th) day of October, in the year one thousand eight hundred and eighty-six (1886), before me, E. B. Ryan, a Commissioner of Deeds for the State of Nevada, duly appointed, commissioned and sworn, and residing in the said City and County of San Francisco, State of California, personally appeared the within named Leland Stanford, President of the "Central Pacific Railroad Company," and E. H. Miller, Jr., Secretary of the "Central Pacific Railroad Company," both personally known to me to be the said officers of said "Central Pacific Railroad Company," respectively, and the individuals described in and who executed the within instrument as such officers of said company, and they each severally and personally then and there acknowledged to me that they executed the said within instrument as the free act and deed of the said "Central Pacific Railroad Company," freely and voluntarily, and for the uses and purposes therein mentioned.

Also on said 27th day of October, A. D. 1886, before me, personally appeared William E. Brown and Frank S. Douty, personally known to me to be the persons described in, whose names are subscribed to, and who executed the within instrument, and they then and there acknowledged to me that they executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

In witness whereof, I have hereunto set my hand and affixed my official seal as such Commissioner, at my office in the City and County of San Francisco, and State of California, this 27th day of October, A. D. 1886.

E. B. RYAN,

{ SEAL OF COMMISSIONER. }

Commissioner for the State of Nevada, residing in the City and County of San Francisco, State of California.

STATE OF CALIFORNIA, }
City and County of San Francisco. } ss.

On this twenty-seventh (27th) day of October, in the year one thousand eight hundred and eighty-six (1886), before me, E. B. Ryan, a Commissioner of Deeds for the Territory of Utah, duly appointed, commissioned and sworn, and residing in the City and County of San Francisco, State of California, personally appeared the within named Leland Stanford, President of the "Central Pacific Railroad Company," and E. H. Miller, Jr., Secretary of the "Central Pacific Railroad Company," who are both personally known to me to be the said officers of the "Central Pacific Railroad Company," respectively, and the individuals described in and who have executed the within instrument as such officers of said company, and they each severally and personally then and there acknowledged to me, that they executed the said within instrument as the free act and deed of the "Central Pacific Railroad Company," freely and voluntarily, and for the uses andpurposes therein mentioned.

Also, at the same time and place as the foregoing, personally appeared before me, the within named William E. Brown and Frank S. Douty, whose names are subscribed to the within instrument as the parties thereto, personally known to me to be the individuals described in and who executed the within instrument, and they each and severally duly acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

In witness whereof, I have hereunto set my hand and affixed my official seal, at the City and County of San Francisco, State of California, this 27th day of October, A. D. 1886.

{ SEAL OF COMMISSIONER. }

E. B. RYAN,

A Commissioner of Deeds for the Territory of Utah, residing in the City and County of San Francisco, State of California.